
P R E S S R E L E A S E 30 June 2017

Ratos divests Serena Properties

Ratos has signed an agreement to divest all of the shares in its subsidiary Serena Properties AB, a real estate company with a portfolio of 21 commercial retail properties in Finland, to Fastighets AB Balder. The enterprise value amounts to EUR 206m and Ratos will receive approximately EUR 50m for its shareholding. The divestment generates an exit gain of approximately SEK 90m and an average annual return (IRR) of approximately 30% as well as a money multiple of 1.5x.

Serena Properties AB (Serena) owns and manages 21 commercial retail properties located across 14 mid-size towns in Finland. The properties are located in established retail areas with attractive tenants and largely comprise of grocery and discount retailers.

During nearly two years under Ratos's ownership, Serena has developed into a focused retail property company. As a property owner, Serena has succeeded in reducing vacancies, establishing favourable relations with key tenants, commencing development projects in several retail areas, and streamlining its property portfolio through the sale of properties not compatible with its strategy. Serena's sales and EBITA amounted to SEK 172m and SEK 129m, respectively, for the rolling 12 months as at 31 March 2017.

“In a short time, Serena's CEO Marc von Melen has, together with his management team, succeeded in implementing several value-generating initiatives that Ratos identified in conjunction with our investment. The efficiency of the ongoing operation of properties has been enhanced and in most of the retail areas, the tenant mix has been improved and the leases has been extended. Offering competitive and sustainable retail areas has been a priority for Serena. Since the property market has continued its strong performance and Ratos, with its current return requirement, would have difficulty in expanding Serena's portfolio, it is a natural step for us to now sell the company. Balder is offering a valuation that reflects the future potential of the portfolio and we are certain that Serena, with Balder, Varma and Redito as its future owners, has favourable prospects for developing well,” says Johan Rydmark, Investment Director at Ratos.

The selling price for 100% of the shares (equity value) amounts to EUR 90m and the enterprise value to EUR 206m. Ratos's share of the equity value is approximately EUR 50m and the exit gain amounts to a total of approximately SEK 90m, calculated on the book value in Serena at 31 March 2017. The annual average internal rate of return (IRR) is approximately 30%. Ratos's holding in Serena Properties amounts to 56%. The divestment is subject to approval by the relevant authorities and is expected to be completed in the third quarter of 2017.

For further information, please contact:

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Financial calendar from Ratos:

Interim report January-June 2017	17 August 2017
Interim report January-September 2017	14 November 2017

Ratos is an investment company that owns and develops unlisted medium-sized companies in the Nordic countries. Our goal as an active owner is to contribute to long-term and sustainable business development in the companies we invest in and to make value-generating transactions. Ratos's portfolio consists of 17 medium-sized Nordic companies and the largest segments in terms of sales are Construction, Industrials and Consumer goods/Commerce. Ratos is listed on Nasdaq Stockholm and has a total of approximately 14,200 employees.